

COMMISSIONERS
ROBERT "BOB" BURNS, Chairman
BOYD DUNN
SANDRA D. KENNEDY
JUSTIN OLSON
LEA MÁRQUEZ PETERSON

**ARIZONA CORPORATION COMMISSION****SANDRA D. KENNEDY**1200 W. Washington
Phoenix, AZ 85007(602) 542-3933
www.azcc.gov

May 21, 2020

RE: COMMISSION INQUIRY INTO UTILITY PREPARENESS PLANS TO ENSURE SAFE
AND RELIABLE OPERATIONS DURING THE COVID-19.
(DOCKET NO. AU-00000A-20-0050)

To my fellow Commissioners,

I am concerned about an unforeseen impact of the COVID-19 pandemic on Arizona's K-12 schools with solar installations. In Arizona, there are over 300 K-12 schools with solar installations. These solar installations can save schools money while also acting as an educational tool for the teachers, students, and local communities. Unfortunately, the early closure of Arizona schools due to the COVID-19 pandemic will result in significant losses. By extending the time period in which schools can claim excess credits on their electricity bills, the financial impact on these 300-plus schools can be mitigated. It is critical that we support Arizona schools to ensure our children receive a quality education.

Most of the K-12 solar installations operate under Power Purchase Agreements or leases contracted with third-party solar companies. Many of these contracts were entered into prior to 2018 and are grandfathered into the net metering rules. Those schools are contractually required to purchase all kWhs generated by those solar installations, even when closed. Meanwhile, increased amounts of excess solar is exported onto the grid due to early school closures, and the utility is selling that electricity to other customers. Under the current rules, the school receives solar credits to use to "offset" electricity from the utility company. At the end of the utility's fiscal year, any banked solar credits are then netted out to the school. Depending on the utility, the credits range from \$0.02 to \$0.03/kWh. With the early school closures, schools with solar have banked many additional credits that will go unused.

Rather than allowing the solar credits to be netted out at the end of the utilities' fiscal year, utilities with these schools in their service territory should allow solar credits for these schools to roll over to 2021. I am requesting that this issue be put on the June Staff Meeting Agenda. During that meeting I would like a discussion and a possible vote requiring utilities with these schools in their territory to adjust their tariffs accordingly. Without the adjustment in time frame, I am concerned that schools in Arizona will lose millions of dollars that otherwise should directly benefit Arizona's children.

Sincerely,

A handwritten signature in blue ink that reads "Sandra D. Kennedy".

Sandra D. Kennedy
Commissioner